

# **State of Alaska FY2005 Governor's Operating Budget**

## **Department of Health and Social Services Departmental Support Services Results Delivery Unit Budget Summary**

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## Departmental Support Services Results Delivery Unit

### Contribution to Department's Mission

To provide quality administrative services that support the Department's programs.

### Core Services

- The Commissioner's Office component funds upper-level management and policy development for the entire department.
- The Office of Program Review component will ensure that DHSS programs accomplish their goals, and will help Divisions find ways to refinance programs to ensure that, to the maximum extent possible, services continue during difficult financial times.
- The Rate Review component will establish efficiency in rate-setting functions throughout the Department. Rate setting will be centralized for all services including Medicaid facilities, foster care, and child care facilities.
- The Administrative Support Services component funds financial, budget, procurement, grant and professional service contract administration, information services as well as human resource liason functions.
- The Health Planning and Facilities Management component includes the management of the department's capital programs.
- The Audit component's focus is to conduct audits on department programs and grantees, special reviews, state and federal single audit reviews and provide assistance to Legislative Audit during the Federal single audit of the Department.
- The Facilities Maintenance component, Pioneer Homes Facilities Maintenance, and HSS State Facilities Rent components record dollars spent to operate state facilities. These units collect costs for facilities operations, maintenance and repair, renewal and replacement as defined in Chapter 90, SLA 98 and pay rent fees for Rent Project.
- The Information Technology components focus is to improve the efficiency and effectiveness of IT services and develop a more capable IT organization for the department.

End Results	Strategies to Achieve Results
<p><b>(1) Outcome #1 Facilitate the Department's Mission Through Superior (effective &amp; efficient) Delivery of Administrative Services.</b></p> <p><u>Target:</u> Reduce percentage of DHSS administration as department overhead.</p> <p><u>Measure:</u> Percentage department administration is to department budget.</p> <p><b>(2) Outcome #2: Reduce Reliance on State GF for as many DHSS Programs Possible.</b></p> <p><u>Target:</u> Reduce State GF, Increase Federal Funds.</p> <p><u>Measure:</u> Percentage state GF is to total budget and percentage increased Federal.</p> <p><b>(3) Outcome #3: Ensure Governor's Budget as Proposed is Adopted.</b></p> <p><u>Target:</u> No variance between Governor's Budget and end result.</p> <p><u>Measure:</u> % of variance from original Governor's Budget.</p>	<p><b>(1) Strategy 1A: Increase productivity by absorbing Pioneer's Homes facilities into capital program.</b></p> <p><u>Target:</u> State owned facility square feet per facility manager staff decreases between FY03 and FY04</p> <p><u>Measure:</u> State owned sq. ft/ facility managers :</p> <p>FY 03 486,836 sq ft with 2 facility mgrs = 243,418 sq ft/per mgr.</p> <p>FY 04 923,981 sq ft with 2 facility mgrs = 461,990 sq ft/per mgr.</p> <p><b>(2) Strategy 1B: Increase productivity by consolidating grants management.</b></p> <p><u>Target:</u> Increase percentage of consolidated grant awards by 20%.</p> <p><u>Measure:</u> Percentage of consolidated grant awards.</p> <p><b>(3) Strategy 1C: Improve customer satisfaction.</b></p> <p><u>Target:</u> Increase percentage of survey participants that report DAS is meeting their needs.</p>

End Results	Strategies to Achieve Results
	<p><u>Measure:</u> Percentage of survey participants report DAS is meeting their needs.</p> <p><b>(4) Strategy 1D: Improve customer turnaround times.</b></p> <p><u>Target:</u> Pay vendors as close to 30 days from invoice date as possible.  <u>Measure:</u> Average days from invoice date to date of warrant to pay invoice.</p> <p><u>Target:</u> Process capital grant payments within 15 days.  <u>Measure:</u> Percentage of grant payments made within 15 days.</p> <p><u>Target:</u> Average processing time for PR under \$25,000 issued in less than 7 days.  <u>Measure:</u> Average length of time to process order.</p> <p><u>Target:</u> General courtesy requirements: answer emails within 24 hours. Respond to written requests within 5 working days or by the designated due date.  <u>Measure:</u> Length of time to answer emails, and response to written requests for information.</p> <p><b>(5) Strategy 1E: Provide direction and guidance to ensure compliance with state laws/rules and reduce errors on documents submitted to Fiscal.</b></p> <p><u>Target:</u> Reduce error rates on STR and TA's submitted to Fiscal.  <u>Measure:</u> Error rates on STR and TA's submitted to Fiscal.</p> <p><b>(6) Strategy 2: Increase federal collections</b></p> <p><u>Target:</u> Percentage federal collections increase.  <u>Measure:</u> Percentage of federal collections.</p> <p><b>(7) Strategy 3: Improve legislative understanding of the budget.</b></p> <p><u>Target:</u> Respond to legislative inquiries by Budget within 5 working days.  <u>Measure:</u> Time it takes to respond to legislative inquiries.</p>

## FY2005 Resources Allocated to Achieve Results

FY2005 Results Delivery Unit Budget: \$36,486,400

## Personnel:

Full time 264

Part time 0

**Total** 264

## Performance Measure Detail

**(1) Result: Outcome #1 Facilitate the Department's Mission Through Superior (effective & efficient) Delivery of Administrative Services.****Target:** Reduce percentage of DHSS administration as department overhead.**Measure:** Percentage department administration is to department budget.

% of Department Administration is to Department Budget

Year					YTD Total
2001					4.29
2002					4.34
2003					4.26

**Analysis of results and challenges:** The Administrative Services is showing that we are decreasing our costs as a whole in comparison to the department.**(2) Result: Outcome #2: Reduce Reliance on State GF for as many DHSS Programs Possible.****Target:** Reduce State GF, Increase Federal Funds.**Measure:** Percentage state GF is to total budget and percentage increased Federal.

% of State GF is to Total Budget and % Increased Federal

Year	GF	FED	OTHER FUNDS	TOTAL FUNDS	YTD Total
2002	512943.7	668997.4	120717.2	1302658.3	51.4%
2003	525846.6	773886.9	144286.5	1444020.0	53.6%
2004	525211.2	890841.7	220049.7	1636102.6	54.5%

**Analysis of results and challenges:** DHSS has increased federal funds over 3 years.**(3) Result: Outcome #3: Ensure Governor's Budget as Proposed is Adopted.****Target:** No variance between Governor's Budget and end result.**Measure:** % of variance from original Governor's Budget.

% of Variance from Original Governor's Budget

Year					YTD Total
2003					-1.6%
2004					-2.4%

**Analysis of results and challenges:** Percentages from Governor's Amended Budget Requests to Authorized shows minor changes from Governor's requests due to Legislative Action.

**(1) Strategy: Strategy 1A: Increase productivity by absorbing Pioneers' Homes facilities into capital program.**

**Target:** State owned facility square feet per facility manager staff decreases between FY03 and FY04

**Measure:** State owned sq. ft/ facility managers :

FY 03 486,836 sq ft with 2 facility mgrs = 243,418 sq ft/per mgr.

FY 04 923,981 sq ft with 2 facility mgrs = 461,990 sq ft/per mgr.

Number of Facility Managers = 2

Year					YTD Total
2003					486836 sq ft
2004					923980 sq ft

**Analysis of results and challenges:** DHSS acquired the Pioneers Homes in FY2004 increasing our square feet and did not increase our Facility Managers.

**(2) Strategy: Strategy 1B: Increase productivity by consolidating grants management.**

**Target:** Increase percentage of consolidated grant awards by 20%.

**Measure:** Percentage of consolidated grant awards.

% of Consolidated Grant Awards

Year					YTD Total
2005					20%

**Analysis of results and challenges:** In FY2004 we are consolidating Grants and Contracts in order to enhance the opportunities to consolidate to grant awards.

**(3) Strategy: Strategy 1C: Improve customer satisfaction.**

**Target:** Increase percentage of survey participants that report DAS is meeting their needs.

**Measure:** Percentage of survey participants report DAS is meeting their needs.

% of Survey Participants Reporting DAS Is Meeting Their Needs

Year					YTD Total
2004					67%

**Analysis of results and challenges:** The Division of Administrative Services is starting to perform yearly customer surveys in FY2004.

**(4) Strategy: Strategy 1D: Improve customer turnaround times.**

**Target:** Pay vendors as close to 30 days from invoice date as possible.

**Measure:** Average days from invoice date to date of warrant to pay invoice.

Average # of days from invoice date to date of warrant to pay invoice

Year					YTD Total
2002					32
2003					36

**Analysis of results and challenges:** The Division of Administrative Services, Fiscal Section had a slight increase in turnaround times due to staff shortages and recruitment difficulties in finding qualified applicants to fill those positions.

**Target:** Process capital grant payments within 15 days.

**Measure:** Percentage of grant payments made within 15 days.

% of Grant Payments Made Within 15 Days

Year					YTD Total
2002					100
2003					100

**Analysis of results and challenges:** Grants payments continue to be made within 15 days.

**Target:** Average processing time for PR under \$25,000 issued in less than 7 days.

**Measure:** Average length of time to process order.

Average Length of Time to Process an Order

Year					YTD Total
2002					7
2003					6.19

**Analysis of results and challenges:** Average length of time to process PR's under \$25,000 is decreasing.

**Target:** General courtesy requirements: answer emails within 24 hours. Respond to written requests within 5 working days or by the designated due date.

**Measure:** Length of time to answer emails, and response to written requests for information.

Length of Time to Answer Emails and Response to Written Requests for Information

Year					YTD Total
2002					24 hours
2003					24 hours

**Analysis of results and challenges:** DAS is keeping to a 24 hour response time for emails.

**(5) Strategy: Strategy IE: Provide direction and guidance to ensure compliance with state laws/rules and reduce errors on documents submitted to Fiscal.**

**Target:** Reduce error rates on STR and TA's submitted to Fiscal.

**Measure:** Error rates on STR and TA's submitted to Fiscal.

Error Rates on STR and TA's Submitted to Fiscal

Year					YTD Total
2004					N/A

**Analysis of results and challenges:** This is a new measure and will be calculated starting in 2004.

**(6) Strategy: Strategy 2: Increase federal collections**

**Target:** Percentage federal collections increase.

**Measure:** Percentage of federal collections.

% of Federal Collections

Year					YTD Total
2002					51.4%
2003					53.6%
2004					54.5%

**Analysis of results and challenges:** Federal collections have increased every year.

### **(7) Strategy: Strategy 3: Improve legislative understanding of the budget.**

**Target:** Respond to legislative inquiries by Budget within 5 working days.

**Measure:** Time it takes to respond to legislative inquiries.

% of Responses for Legislative Requests Made within 5 Working Days

Year	FY2002	FY2003	Proj FY2004	Proj FY2005	YTD Total
0	83%	83%	85%	85%	

**Analysis of results and challenges:** We anticipate increasing to 85% in FY2004 and FY2005.

### **Key RDU Challenges**

The Department of Health and Social Services is continuing to integrate functions. Integration is guided by the following principles:

- Health and Social Services are being integrated and streamlined in a manner that includes services to the people the department serves;
- Budgets are being reorganized so that the department can restructure Medicaid funding, maximize federal funds and ensure that funds are invested to get the best services for Alaskans;
- A structure is being put in place to better empower managers to find ways to continue to deliver quality services in an era of fiscal discipline; and
- All sections of the Departmental Support Services RDU will be involved with implementing the changes brought about by this departmental integration.

#### Continuing Issues:

- Finalizing the largest reorganization in 20 years (over 800 more employees and several more programs) and structuring administrative functions so that services are efficient and effective.

Other Key Issues are:

- General fund resources in the division have declined, increasing reliance on other funds through the department's cost allocation plan and refinancing mechanisms, making fiscal management more difficult and complex.
- HR Integration, IT planning and other administrative changes.
- Federal requirements for reports and compliance continue to increase.
- The complexity of rules, regulations, and policies that the department must comply with has increased in all areas (e.g., Family Medical Leave, Americans with Disabilities Act, etc.).
- The Department must meet HIPAA transaction, privacy and security issues within the next two years.

### **Significant Changes in Results to be Delivered in FY2005**

The DHSS will continue to integrate the health and social services provided to Alaskans, and combine programs in ways that make sense to the people DHSS serves. Alaskans will get better customer service, and DHSS will be in a stronger position to deliver quality services in very tough financial times for the State.

The department is integrating the Grants and Professional Service Contract Administration into one section. This integration will improve customer service for grantees and vendors; promote uniformity and consistency; consolidate administrative expertise into one place; eliminate redundant work and review process; and reduce the hours program staff devote to administration so that work can be refocused on tasks related to their areas of expertise. A reduction of \$69,000 GF is expected in FY05 from this consolidation.

The department is integrating and consolidating all IT services. The department Information Technology (IT) plan will impact all aspects of IT in profound ways. An overall reduction of \$100,000 GF is expected with this consolidation.

Also in FY2005, the Human Resource function will be transferred to the Department of Administration, Division of



Personnel for a complete integration of the statewide function.

Continuing in FY2005, we plan to maintain administrative support to allow the Departmental Support Services to keep up with demand on services. All positions will be funded consistent with the DHSS approved cost allocation plan.

Administration of Denali Commission Grant.

### Major RDU Accomplishments in 2003

- Reorganized DHSS to incorporate Alaska Pioneer's Homes, Child Care Licensing and Senior Services from other departments.
- Reorganized DHSS internally to align with the department's mission.
- Continued Computerized Maintenance Management System to several DHSS facilities for preventive maintenance purposes.
- Met all critical accounting and budget deadlines on time.
- Initiated significant cost containment and refinancing opportunities.
- Established program review and tribal agenda to encourage refinancing.
- Initiated department customer service initiatives.
- Developed plan to guide DHSS through HIPAA requirements.
- Completed new Cost Allocation Plan for department's reorganization.
- Completed work on Kenai Youth Facility.
- Started work on the new API facility.
- Completed complex contract for new MMIS.
- Completed a performance audit review for new administration.
- Completed business process review of HR functions.

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### Departmental Support Services RDU Financial Summary by Component

*All dollars shown in thousands*

	General Funds	FY2003 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2004 Authorized Federal Funds	Other Funds	Total Funds	General Funds	FY2005 Governor Federal Funds	Other Funds	Total Funds
<b>Formula</b>												
<b>Expenditures</b>												
None.												
<b>Non-Formula</b>												
<b>Expenditures</b>												
Commissioner's Office	0.0	0.0	0.0	0.0	171.3	329.9	309.4	810.6	131.4	309.2	368.2	808.8
Office of Program Review	0.0	0.0	0.0	0.0	377.0	599.6	91.1	1,067.7	407.8	652.2	47.6	1,107.6
Rate Review	0.0	0.0	0.0	0.0	317.9	324.1	0.0	642.0	401.9	408.2	4.0	814.1
Administrative Support Svcs	2,136.4	1,375.4	806.2	4,318.0	1,580.4	1,759.0	1,161.4	4,500.8	1,924.2	2,818.1	1,074.7	5,817.0
Personnel and Payroll	615.3	387.6	659.2	1,662.1	621.2	477.8	828.2	1,927.2	0.0	0.0	0.0	0.0
Audit	77.2	7.1	112.3	196.6	84.3	42.3	114.4	241.0	74.9	31.8	117.9	224.6
Medicaid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,239.3	0.0	6,239.3
School Based Admin Clms												
Health Plan. & Facilities Mgmt	182.0	55.2	676.8	914.0	56.4	89.1	580.0	725.5	56.2	91.7	733.4	881.3
Information Technology Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4,882.6	7,913.5	2,089.3	14,885.4
Facilities Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	2,584.9	2,584.9	0.0	0.0	2,584.9	2,584.9
Pioneers' Homes	0.0	0.0	0.0	0.0	0.0	0.0	2,125.0	2,125.0	0.0	0.0	2,125.0	2,125.0
Facilities Maint												
HSS State Facilities Rent	0.0	0.0	0.0	0.0	452.2	290.9	0.0	743.1	548.9	370.2	79.3	998.4
<b>Totals</b>	<b>3,010.9</b>	<b>1,825.3</b>	<b>2,254.5</b>	<b>7,090.7</b>	<b>3,660.7</b>	<b>3,912.7</b>	<b>7,794.4</b>	<b>15,367.8</b>	<b>8,427.9</b>	<b>18,834.2</b>	<b>9,224.3</b>	<b>36,486.4</b>

**Departmental Support Services  
Summary of RDU Budget Changes by Component  
From FY2004 Authorized to FY2005 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>3,660.7</b>	<b>3,912.7</b>	<b>7,794.4</b>	<b>15,367.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Commissioner's Office	-21.1	-15.5	-70.4	-107.0
-Office of Program Review	30.8	52.6	3.6	87.0
-Rate Review	84.0	84.1	4.0	172.1
-Administrative Support Svcs	417.3	781.8	-214.5	984.6
-Personnel and Payroll	-617.8	-475.8	26.1	-1,067.5
-Audit	-9.3	-10.5	3.6	-16.2
-Medicaid School Based Admin Clms	0.0	6,239.3	0.0	6,239.3
-Health Plan. & Facilities Mgmt	1.0	3.1	19.3	23.4
-Information Technology Services	4,982.6	7,913.5	1,573.6	14,469.7
-HSS State Facilities Rent	96.7	0.0	0.0	96.7
<b>Proposed budget decreases:</b>				
-Commissioner's Office	-18.8	-5.2	-8.9	-32.9
-Office of Program Review	0.0	0.0	-94.7	-94.7
-Administrative Support Svcs	-73.5	-2.7	-1.6	-77.8
-Personnel and Payroll	-3.4	-2.0	-854.3	-859.7
-Audit	-0.1	0.0	-0.1	-0.2
-Health Plan. & Facilities Mgmt	-1.2	-0.5	-4.7	-6.4
-Information Technology Services	-100.0	0.0	0.0	-100.0
<b>Proposed budget increases:</b>				
-Commissioner's Office	0.0	0.0	138.1	138.1
-Office of Program Review	0.0	0.0	47.6	47.6
-Administrative Support Svcs	0.0	280.0	129.4	409.4
-Health Plan. & Facilities Mgmt	0.0	0.0	138.8	138.8
-Information Technology Services	0.0	0.0	515.7	515.7
-HSS State Facilities Rent	0.0	79.3	79.3	158.6
<b>FY2005 Governor</b>	<b>8,427.9</b>	<b>18,834.2</b>	<b>9,224.3</b>	<b>36,486.4</b>